Educated Young Consumer Purchase Behavior towards Green Products: An Empirical Study in India

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ABSTRACT

Green marketing is one of the emerging fields in India. Educated young consumers are very advantageous segment for green marketing. This paper aims to evaluate the purchase behavior and reactions of educated young consumers towards ‘green products’ which is an essential element of the green marketing. Various variables have been found on the basis of the literature review. The survey questionnaire was designed with the help of literature and expert’s inputs and got 343 actual respondents. An exploratory factor analysis and linear regression analysis has been used to bring the findings of the study. The result of the study shows that EYC’s (Educated young consumers) purchase behavior towards green product is positive. Green product awareness, Eco-labels and satisfaction and all these found significantly associated with the purchase behavior or intention, but premium price and consumer (those who are highly concern towards environment) has insignificant relationship with the purchase behavior. The concept of green marketing in India is emerging and the study can be a meaningful guide.

Keywords: Consumer Behavior, Eco-Labels, Educated Young Consumers (EYC’s), Environment, Green Consumer, Green Marketing, Green Product, India, Premium Price, Purchase Behavior

1. INTRODUCTION

India will soon have the largest, youngest workforce ever, nearly half of the population is under 24 years of age while about 64% of Indians are of working age (Tulloch, 2014). Majority of the population in India are young and hence we can say India is a young country. Young consumer those who have attained the age of adult i.e. eighteen years in India, play important role in buying decision process in the family and they individually purchase a good amount of products annu-
ally (Ghodeswar). Seven hundred degree granting institution and thirty five thousand and five hundred affiliated colleges and about enrolling more than twenty million students. Indian higher education system is very large (Choudaha, 2013). The higher education system is continuously involved in producing young graduates each year. It is also a matter of pride that our youth is educated. But still in our country there are lots of problems related to the social issues such as environment, even there is separate mandate syllabus for environmental education in higher education system (Chhokar, 2010). India ranks on 155 out of 178 countries in the Environmental Performance Index (EPI, 2014). This is very poor in the world. There are so many causes for environmental problems but the industries are the main cause (Lin Ru-Jen et.al.2011). India and China are rapidly developing their economy and in both the countries industrial development is recorded well (Siraj, 2011). In order to reduce the blames most of the industries started adopting green practices in production and marketing of goods and services but are not found sufficient to provide a better safe guard to the environment (Lin & Sheu, 2012). On the other hand, it is also seen that people give more priorities to their comfort and life style rather than environment and hence the essentials of environment are ignored many times (Christensen, 1997). Educated and young consumer (EYC) can change the scenario because they are much more aware about the environment, they can raise the green issues and also change their consumer buying decision in a greener way and it is also one of the fact that they have to live more on this planet in comparison to others (World youth report, 2003). Consumption of green products and services by these consumers may give a positive impact on the environment which will lead to the sustainable development (Singh, 2011). Higher consumption pattern among youths can also motivate to the marketer and manufacturer in order to bring new and innovative green products which will not be harmful for the environment. Many studies also find that adoption of green practices will also give positive impact on competitive advantage of the firm, customer satisfaction and creation of public image (Ar. Ilker, 2012). There are various types of green practices such as green marketing which consists of number of activities as development & design of green products, green pricing strategies, green promotions, eco-labeling and Green Supply Chain Management (GSCM) (Polonsky & Rosenberger, 2001). This paper is one of its kinds of exploratory study in Indian context as there is rarely any study found so far in this regard. The primary objective is to analyze the green purchase behavior of EYCs in India. Recently most of the companies have started green marketing approach in various categories like FMCG, Automobile etc. Adoption of green practices by companies may be the demand of today’s era which is full of environmental problems, but few of the companies are adopting as defensive strategy just because of government pressure and threat of carbon emission tax. (Chan, 2013). The purpose of this paper is to highlight the young and well educated consumer’s responses or reaction towards the eco-logical or green products as this market segment is very large and can be very advantageous to the green marketer and obviously for the environment.

At the end of the introduction part the paper is followed by the literature review which focuses on the green marketing and green product in detail, further it helps in identifying variables of the study. Rest of the body consists of theoretical model and development of hypotheses, research methodology, results and discussion, managerial implications, conclusions and at the end limitations and suggestions for future research.

2. LITERATURE REVIEW

In recent scenario it has been observed that consumers are more conscious about their purchase decisions, as they are giving preference to green products over non-green products (Lee, et al
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